

Confidential Purchase Agreement

This Purchase Agreement ("PA") is made and entered into by and between Eschelon Telecom, Inc. and its subsidiaries and affiliates ("Eschelon") and Qwest Corporation and its subsidiaries ("Qwest") (collectively, the "Parties") effective on the 1st day of October, 2000.

The Parties have entered in to enter into this PA to facilitate and improve their business and operational activities, agreements and relationships. In consideration of the covenants, agreements and promises contained below the Parties agree to the following:

1. This PA is entered into between the Parties based on the following conditions, which are a material part of this agreement:

1.1 This PA shall be binding on Qwest and Eschelon and each of their respective subsidiaries, affiliated corporations, successors and assigns.

1.2 This PA may be amended or altered only by written instrument executed by an authorized representative of both Parties.

1.3 The Parties, intending to be legally bound, have executed this PA effective as of October 1, 2000, in multiple counterparts, each of which is deemed an original, but all of which shall constitute one and the same instrument.

1.4 Unless terminated as provided in this section, the initial term of this PA is from October 1, 2000 until December 31, 2005 ("Initial Term") and this PA shall thereafter automatically continue until either Party gives at least six (6) months advance written notice of termination. This PA can only be terminated during the term of the agreement in the event of a material breach of the terms of this Amendment which remains unresolved and uncompensated following application of the dispute resolution provisions of this agreement.

1.5 All factual preconditions and duties set forth in this PA are intended to be, and are considered by the Parties to be, reasonably related to, and dependent upon each other.

1.6 If either Party's performance of this PA or any obligation under this PA is prevented, restricted or interfered with by causes beyond such Parties' reasonable control, including but not limited to acts of God, fire, explosion, vandalism which reasonable precautions could not protect against, storm or other similar occurrence, any law, order, regulation, direction, action or request of any unit of federal, state or local government, or of any civil or military authority, or by national emergencies, insurrections, riots, wars, strike or work stoppage or material vendor failures, or cable cuts, then such Party shall be excused from such performance on a day-to-day basis to the extent of such prevention, restriction or interference (a "Force Majeure").

1.7 The Parties agree that they will keep the substance of the negotiations and/or conditions of this PA and the terms or substance of this PA strictly confidential. The Parties further agree that they will not communicate (orally or in writing) or in any way disclose the

**Qwest
Exhibit 17**

substance of the negotiations and/or conditions of this settlement and the terms or substance of this PA to any person, judicial or administrative agency or body, business, entity or association or anyone else for any reason whatsoever, without the prior express written consent of the other Party unless compelled to do so by law or unless Eschelon pursues an initial public offering, and then only to the extent that disclosure by Eschelon is necessary to comply with the requirements of the Securities Act of 1933 or the Securities Exchange Act of 1934. In the event Eschelon pursues an initial public offering, it will: (1) first notify Qwest of any obligation to disclose some or all of this PA; (2) provide Qwest with an opportunity to review and comment on Eschelon's proposed disclosure of some or all of this PA; and (3) apply for confidential treatment of the PA. It is expressly agreed that this confidentiality provision is an essential element of this PA and negotiations, and all matters related to these matters, shall be subject to Rule 408 of the Rules of Evidence, at the federal and state level.

In the event either Party initiates arbitration or litigation regarding the terms of this agreement or has a legal obligation which requires disclosure of the terms and conditions of this PA, the Party having the obligation shall immediately notify the other Party in writing of the nature, scope and source of such obligation so as to enable the other Party, at its option, to take such action as may be legally permissible so as to protect the confidentiality provided in this PA.

1.8 Neither Party will present itself as representing or jointly marketing services with the other, or market its services using the name of the other Party, without the prior written consent of the other Party.

1.9 Any claim, controversy or dispute between the Parties in connection with this PA shall be resolved by private and confidential arbitration conducted by a single arbitrator engaged in the practice of law under the then current rules of the American Arbitration Association. The arbitration shall be conducted in Denver, Colorado. Each Party shall have the right to seek from a court of appropriate jurisdiction equitable or provisional remedies (such as temporary restraining orders, temporary injunctions and the like) before arbitration proceedings have been commenced and an arbitrator has been selected. Once an arbitrator has been selected and the arbitration proceedings are continuing, thereafter the sole jurisdiction with respect to equitable or provisional remedies shall be remanded to the arbitrator. Any arbitrator shall be a retired judge or an attorney who has been licensed to practice for at least ten (10) years and is currently licensed to practice in the state of Colorado. The arbitrator shall be selected by the parties within fifteen (15) business days after a request for arbitration has been made by one of the Parties hereto. If the Parties are unable to agree among themselves, the Parties shall ask for a panel of arbitrators to be selected by the American Arbitration Association. If the parties are unable to select a sole arbitrator from the panel supplied by the American Arbitration Association within ten (10) business days after such submission, the American Arbitration Association shall select the sole arbitrator. The Federal Arbitration Act, 9 U.S.C. §§ 1-16, not state law, shall govern the arbitrability of all disputes. The arbitrator shall only have the authority to determine breach of this Agreement and award appropriate damages, but the arbitrator shall not have the authority to award punitive damages. The arbitrator's decision shall be final and binding and may be entered in any court having jurisdiction thereof. Each party shall bear its own costs and attorneys' fees and shall share equally in the fees and expenses of the arbitrator, except that the arbitrator shall have the discretion to award reasonable attorneys' fees and costs in favor of a Party if, in the

opinion of the arbitrator, the dispute arose because the other Party was not acting in good faith.

1.10 This PA shall be interpreted and construed in accordance with the laws of the State of Colorado, and shall not be interpreted in favor or against any Party to this Agreement.

1.11 This PA constitutes an agreement between the Parties and can only be changed in a writing or writings executed by both Parties. Each of the Parties forever waives all right to assert that this agreement was the result of a mistake in law or in fact.

1.12 This PA may be executed in counterparts and by facsimile.

2. In consideration of the agreements and covenants set forth above and the entire group of covenants provided in section 3, Eschelon agrees to purchase from Qwest, or one of its affiliates, during the Initial Term of this PA, at least \$150 million worth of telecommunications, enhanced or information services, network elements, interconnection or collocation services or elements, capacity, termination or origination services, switching or fiber rights (the "Products"). If Eschelon fails to meet this purchase commitment, this agreement is terminated and Eschelon will be required to pay Qwest a \$10 million penalty.

2.1 Subject to the provisions of this section 2, from January 1, 2001 to December 31, 2001, Eschelon will purchase, under this agreement or any other agreement between the parties, a minimum of \$16 million of Products and in the event purchases by Eschelon do not meet this minimum, Eschelon agrees to make a payment to Qwest, no later than January 15, 2002, in an amount equal to the difference between actual purchases and the minimum. If Eschelon fails to meet this purchase commitment, this agreement is terminated and Eschelon will be required to pay Qwest a penalty of \$10 million which is the equivalent of 63% of its 2001 annual revenue commitment to Qwest.

2.2 Subject to the provisions of this section 2, from January 1, 2002 through December 31, 2002, Eschelon will purchase a minimum of \$24 million of Products, and in the event purchases by Eschelon do not meet this minimum, Eschelon agrees to make a payment to Qwest, no later than January 15, 2003, in an amount equal to the difference between actual purchases and the minimum. If Eschelon fails to meet this purchase commitment, this agreement is terminated and Eschelon will be required to pay Qwest a penalty of \$10 million which is the equivalent of 42% of its 2002 annual revenue commitment to Qwest.

2.3 Subject to the provisions of this section 2, from January 1, 2003 through December 31, 2003, Eschelon will purchase a minimum of \$31 million of Products, and in the event purchases by Eschelon do not meet this minimum, Eschelon agrees to make a payment to Qwest, no later than January 15, 2004, in an amount equal to the difference between actual purchases and the minimum. If Eschelon fails to meet this purchase commitment, this agreement is terminated and Eschelon will be required to pay Qwest a penalty of \$10 million which is the equivalent of 32% of its 2003 annual revenue commitment to Qwest.

2.4 Subject to the provisions of this section 2, from January 1, 2004 through December 31, 2004, Eschelon will purchase a minimum of \$37 million of Products, and in the

event purchases by Eschelon do not meet this minimum, Eschelon agrees to make a payment to Qwest, no later than January 15, 2005, in an amount equal to the difference between actual purchases and the minimum. If Eschelon fails to meet this purchase commitment, this agreement is terminated and Eschelon will be required to pay Qwest a penalty of \$10 million which is the equivalent of 27% of its 2004 annual revenue commitment of Qwest.

2.5 Subject to the provisions of this section 2, from January 1, 2005 through December 31, 2005, Eschelon will purchase a minimum of \$42 million of Products, and in the event purchases by Eschelon do not meet this minimum, Eschelon agrees to make a payment to Qwest, no later than January 15, 2006, in an amount equal to the difference between actual purchases and the minimum. If Eschelon fails to meet this purchase commitment, this agreement is terminated and Eschelon will be required to pay Qwest a penalty of \$10 million which is the equivalent of 24% of its 2005 annual revenue commitment to Qwest.

Eschelon's annual and contract term purchase commitments will be reduced proportionally in the event Qwest sells any exchanges where it is currently the incumbent local exchange service provider, but only to the extent that any such sale materially impacts Eschelon's purchases from Qwest.

Eschelon's annual and contract term purchase commitments will be adjusted proportionally and/or appropriately in the event Eschelon acquires, or merges with, or divests to, another company where such acquisition, merger or divestiture materially changes Eschelon's market capitalization, size, markets or other similar measure, as mutually agreed.

2.6 The Parties will resolve any disputes pursuant to Escalation Procedures to be developed by the Parties.

3. In consideration of the agreements and covenants set forth above and the entire group of covenants provided in section 2, all taken as a whole, with such consideration only being adequate if all such agreements and covenants are made and are enforceable, Qwest agrees to make the Products available for purchase by Eschelon at such rates and on such terms and conditions as agreed.

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Made and entered into on the effective date written above by Eschelon and Qwest.

Eschelon Telecom, Inc.

Qwest Corporation


Authorized Signature

Authorized Signature

Richard A. Smith
Name Printed/Typed

Name Printed/Typed

President - CEO
Title

Title

11/19/00
Date

Date

H:Qwest/MTOP102500

SUBJECT TO RULE OF EVIDENCE 408

Made and entered into on the effective date written above by Eschelon and Qwest.

Eschelon Telecom, Inc.

Qwest Corporation

Authorized Signature

Authorized Signature

Name Printed/Typed

Name Printed/Typed

Title

Title

Date

Date

11-15-00

Approved as to legal form

NOV 15 2000

[Signature]

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